



TRANSCOM-DLA REVIEW

Problem:

For many years the Department of Defense had examined new ways to improve its supply chain capabilities through closer integration of the defense transportation and logistics organizations. The concept of combining the U.S. Transportation Command (TRANSCOM) with the Defense Logistics Agency (DLA) was often analyzed and discussed, but no clear consensus had emerged as to whether such a combination would significantly improve the Department's supply chain performance.

Response:

At the direction of the Secretary of Defense, the Defense Business Board was tasked with providing recommendations on the merging of DLA and the TRANSCOM. The focus of these recommendations was to take advantage of the significant opportunity to transform the Department of Defense's logistics capability while achieving substantial, quantifiable cost savings through a process oriented focus. The commercial analog for this approach, supply chain management, was universally recognized as the method that must be embraced by the Department to achieve needed transformational improvements in the efficiency and effectiveness of end-to-end logistics processes.

Recommendations:

The Task Group's three recommendations sought to elevate the debate over the combination of TRANSCOM and DLA to a higher level decision concerning broad integration of the DoD supply chain. Detailed recommendation can be found at www.dod.mil/dbb. The summary recommendations were as follows:

1. Do not combine TRANSCOM and DLA.
2. Elevate leadership for DoD global supplies chain integration.
3. Empower a Global Supply Chain Integrator (GSCI) with the required authority and control to effect integration. GSCI should be granted authority to:
 - Build end-to-end integrated supply chains through the establishment of policies and procedures.
 - Enable privatization and partnering with global commercial distributors.
 - Oversee program management decisions related to major systems vendor support.
 - Establish/authorize organizations and processes to control flow during deployment/wartime scenarios.
 - Control budgetary decisions affecting TRANSCOM, DLA, and the distribution budgets of the Services.

Action:

The Task Group delivered its findings to the Secretary of Defense in June, 2003. In response, the Principal Deputy Under Secretary of Defense (Acquisition, Technology and Logistics) was designated as the Global Supply Chain Integrator (GSCI) and given the responsibility for management of supply chain integration and modernization as detailed above.